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City Compliance Guide\_\_\_\_\_  
CITY  
COMPLIANCE GUIDE

Purpose: To select compliance items to be tested and/or document testing.

Source: Workpapers as referenced.

Scope: Compliance items tested each year are based on risk assessment.

Conclusion: Compliance selection and/or testing is documented per Compliance Guide and workpapers.

	FY06	FY07	FY08
Incharge			
Manager			
Independent Reviewer			

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City Compliance Guide**Code Compliance Risk Assessment**

	FY06		FY07		FY08	
Compliance Area	Risk Factors **	Risk of Non-Compliance*	Risk Factors **	Risk of Non-Compliance*	Risk Factors **	Risk of Non-Compliance*
Audit Planning						
Cash						
Investments						
Capital Assets						
Long-Term Debt						
Fund Balance/Net Assets						
Receipts/Revenues						
Disbursements						
Payroll						
Transfers						
Budgets						
Insurance						

**\*\*Compliance Risk Factors:** (Include the applicable risk above.)

1.	Relatively simple compliance issues.	10.	New or amended compliance requirement.
2.	Personnel responsible for compliance are competent and experienced.	11.	New or poorly trained personnel.
3.	No comments regarding non-compliance noted in the prior year.	12.	Complexity of compliance issues likely to result in non-compliance.
4.		13.	Report comment regarding non-compliance noted in the prior year.
5.		14.	Non-report comment regarding non-compliance noted in the prior year.
6.		15.	
7.		16.	
8.		17.	

**\*Risk of Non-Compliance:**

H	High
M	Moderate
L	Low

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City Compliance Guide

This compliance guide was developed to implement a risk-based approach to testing compliance requirements. In implementing a risk-based approach, compliance requirements will be selected to test based on the compliance risk assessment. To document the auditor's consideration of risk, a code compliance risk assessment form has been included in this guide.

Each compliance requirement in this guide has been placed into one of four categories. The categories are based on significance of the compliance requirements. The table below provides a description of each category.

<b><u>Category</u></b>	<b><u>Description</u></b>
<b><u>Items which must be tested</u></b> – required comments or public expectation of oversight.	
1	Test and document annually. (required statutory report comments)
2	Test on a rotating basis, at least every three years, based on risk assessment. Workpaper documentation required.
<b><u>Inquiry with limited observation and documentation:</u></b>	
3	Inquire about compliance only if considered necessary based on risk assessment. Document the entity's response to inquiry and observation in remarks column. (If auditor becomes aware of non-compliance it should be addressed).
<b><u>Addendum:</u></b>	
4	Items which are not considered to be significant – test if considered necessary based on risk assessment and specific audit situation (if auditor becomes aware of non-compliance in one of these areas it should be addressed). If procedures are performed, include workpaper documentation as necessary.

**Procedures**

- 1) Review prior year comments and enter "O5" in the "Non-Compliance Noted/FY" column for each compliance requirement that had a comment.
- 2) Based on the risk of non-compliance set for each compliance area, indicate which procedures will be performed during the current year's audit with a tick mark in the "Selected" column. Keep in mind that your audit approach to compliance may need to be revised based on information obtained during the course of your audit. If you are aware a compliance requirement does not apply, indicate "N/A" in the "Selected" column.
- 3) Perform compliance procedures as selected.
- 4) Enter "O6" in the "Non-Compliance Noted/FY" column for each compliance requirement that had a comment.
- 5) Guide should be filed in the Permanent File for multiple year use.

## CITY COMPLIANCE GUIDE

		Non-compliance Noted / FY	FY06				FY07				FY08			
	Cate-gory		Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
AUDIT PLANNING:			<u>Risk:</u> H M L				<u>Risk:</u> H M L				<u>Risk:</u> H M L			
1. Council Minutes:														
a. Determine and document if minutes were properly signed in accordance with Chapter 380.7 of the Code of Iowa.	2													
b. Determine, on a test basis, if meetings were preceded by proper notice. (Chapter 21.4 of the Code of Iowa).	2													
c. Determine if the minutes show information sufficient to indicate the vote of each member present as required by Chapter 21.3 of the Code of Iowa.	2													
d. Determine if the passage of ordinances, amendments, or resolutions were by a majority vote of all the members of the Council rather than a majority vote of a quorum of the Council in accordance with Chapter 380.4 of the Code of Iowa.	2													
e. Determine if minutes document that the Council followed proper proceedings for any closed sessions. (Chapter 21.5 of the Code of Iowa)														
1. The session was closed by affirmative roll call vote of at least two-thirds of the members.	2													
2. The specific exemption under Chapter 21.5 of the Code was identified and documented.	2													
3. Final action was taken in open session.	2													

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		Non-compliance Noted / FY	FY06				FY07				FY08			
	Category		Selected	Done By	WP Ref	Remarks	Selected	Done By	WP Ref	Remarks	Selected	Done By	WP Ref	Remarks
AUDIT PLANNING (Continued):														
f. Determine, on a test basis, if minutes were published (or posted) within 15 days of the meeting in accordance with Chapter 372.13(6) of the Code of Iowa and included:														
1. Total disbursements from each fund.														
2. A list of all claims allowed (including purpose of the claim) as described by Attorney General’s opinion dated April 12, 1978.														
3. A summary of all receipts.														
4. A summary of ordinances or amendments adopted.														
2. 28E Organizations, Municipal Utilities, and Administrative Agencies:														
a. Determine if the City was a member of a Chapter 28E organization with gross receipts in excess of \$100,000 in a fiscal year.														
b. Determine if the City has a separate Municipal Utility and/or Administrative Agencies per Chapter 392.														
(1) If the City owns or operates a municipal utility providing telecommunication services, determine if the provisions of Chapter 388.10 of the Code of Iowa have been followed.														

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		Non-compliance Noted/FY	FY06				FY07				FY08			
	Category		Selected	Done By	WP Ref	Remarks	Selected	Done By	WP Ref	Remarks	Selected	Done By	WP Ref	Remarks
<b>AUDIT PLANNING (continued):</b>  (2) If the City owns or operates a municipal utility providing telecommunication services, determine that the City or the municipal utility annually certifies its compliance with Chapter 388.10 of the Code of Iowa and this certification is attested to by the Auditor of State or a certified public accountant certified in Iowa.  c. If so, determine if arrangements have been made for an audit in accordance with Chapter 11.6 of the Code of Iowa.	1													
	1													

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		Non-compliance Noted/FY	FY06				FY07				FY08			
	Category		Selected	Done By	WP Ref	Remarks	Selected	Done By	WP Ref	Remarks	Selected	Done By	WP Ref	Remarks
<b>CASH:</b>			<u>Risk:</u> H M L				<u>Risk:</u> H M L				<u>Risk:</u> H M L			
1. Determine that unclaimed property per Chapter 556.1(10) of the Code of Iowa has been reported to the State Treasurer annually before November 1 <sup>st</sup> per Chapter 556.11 of the Code of Iowa.	3													
2. Depository Resolutions:														
a. Determine a depository resolution including all depositories used by the City has been approved as required by Chapter 12C.2 of the Code of Iowa.	3													
3. Determine the allowability of any sweep accounts.	3													
4. Determine if uninsured public funds deposited in a credit union were secured by a letter of credit in an amount at least 110% of the uninsured amount.	2													

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CASH (continued):															
5. Stamped Warrants:															
a. Determine that debt instruments issued comply with provisions of Chapter 74 of the Code of Iowa															
b. Determine that interest rates paid on stamped warrants are within legally allowable limits as established by the State Rate Setting Committee in accordance with Chapter 74A of the Code of Iowa.															

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		Non-compliance Noted/FY	FY06				FY07				FY08			
			Selected	Done By	WP Ref	Remarks	Selected	Done By	WP Ref	Remarks	Selected	Done By	WP Ref	Remarks
<b>INVESTMENTS:</b>			<u>Risk:</u> H M L				<u>Risk:</u> H M L				<u>Risk:</u> H M L			
1. Determine if the City has adopted a written investment policy that complies with the provisions of Chapter 12B.10B of the Code of Iowa.	1													
2. Determine that changes to the investment policy comply with the provisions of Chapter 12B.10B of the Code of Iowa and have been approved by the Council	1													
3. Determine that investment transactions complied with the written investment policy.	1													
4. Determine that all investments are authorized and comply with statutory provisions of Chapter 12B.10 of the Code of Iowa, as applicable.	1													
5. If applicable, determine if the City has an appropriate public funds custodial agreement as prescribed in Chapter 12B.10C of the Code of Iowa and the Treasurer of State's administrative rules.	3													
6. Determine that the underlying collateral of repurchase agreements consists of authorized investments and that the City has taken delivery of the collateral either directly or through an authorized custodian as provided in Chapter 12B.10(5)(e).	3													

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INVESTMENTS (continued):														
7. Determine that investment income was received and recorded in the proper fund. Specifically:														
a. In accordance with Chapter 12C.9(2) of the Code of Iowa, interest earned on the proceeds of notes, bonds, refunding bonds and other evidence of indebtedness and funds being accumulated for the payment of principal and interest or reserves (debt service) is:														
1. Used to pay the principal or interest as it comes due on the indebtedness, (credited to debt service fund)														
2. Credited to the capital project fund for which the indebtedness was issued.														
8. Test interest rates to determine whether rates are in accordance with statutory rates established by the State Rate Setting Committee.														
9. Identify the outside persons who invested public funds, provided advice on the investing of public funds, directed the deposit or investment of public funds, or acted in a fiduciary capacity for the City.														

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INVESTMENTS (continued):														
a. Determine that contracts or agreements with outside persons require the outside person to notify the City in writing of the existence of material weaknesses in internal control or regulatory orders or sanctions regarding the type of services being provided under the contracts or agreements.	1													
b. Obtain and review the following:														
1. The most recent audited financial statements and related report on internal control of outside persons involved in investing activities for the City.	1													
2. The most recent annual report to shareholders, call reports or the findings pursuant to a regular examination under state or federal law of a bank, savings and loan or credit union.	1													
3. The most recent annual report to shareholders of an open-end management investment company, unincorporated investment company or investment trust registered with the SEC.	1													

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	Category		Selected	Done By	WP Ref	Remarks	Selected	Done By	WP Ref	Remarks	Selected	Done By	WP Ref	Remarks
<b>CAPITAL ASSETS:</b>  1. Determine compliance with the provisions of Chapter 364.7 of the Code of Iowa relating to the disposition of real property.	3		<u>Risk:</u> H M L				<u>Risk:</u> H M L				<u>Risk:</u> H M L			

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		Non-compliance Noted / FY	FY06				FY07				FY08			
	Cate-gory		Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
LONG-TERM DEBT:			<u>Risk:</u> H M L				<u>Risk:</u> H M L				<u>Risk:</u> H M L			
1. General obligation, special assessment and revenue bonds or notes:														
a. Determine that general obligation debt payments were recorded in the Debt Service Fund in accordance with Chapter 384.4 of the Code		2												
b. Determine and document that procedures for bonds or notes sold during the current year were in compliance with Chapters 75, 384 and 403.9 of the Code of Iowa.		2												
c. Determine and document that interest rates on bonds sold during the period are within the interest rates authorized by Chapter 74A of the Code of Iowa.		2												
d. Determine and document that bond or note proceeds are being used in accordance with bond provisions.		2												
e. Determine if special assessment balances are adequate to provide for early retirement of bonds, and if so, determine disposition in accordance with Chapter 384.68 of the Code of Iowa.		2												
f. Determine that Tax Increment Financing bonds debt payments were paid from the tax increment account in accordance with Chapter 403.19(2) of the Code of Iowa.		2												

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	Category		Selected	Done By	WP Ref	Remarks	Selected	Done By	WP Ref	Remarks	Selected	Done By	WP Ref	Remarks
LONG-TERM DEBT (continued):														
g. Determine that the indebtedness of the City was within the Constitutional limits of 5% on the value of taxable property in accordance with the Iowa Constitution Article XI.3.	1													
h. If a material event has occurred, determine that the City has complied with the reporting requirements in accordance with SEC Rule No. 240.15c2-12. (Exempt are bond offerings of less than \$1,000,000 and cities whose outstanding debt is less than \$10,000,000.)	3													
2. Anticipatory Warrants/Obligations:														
a. Review authorization for issuance of these obligations.	3													
b. Determine that debt instruments issued comply with provisions of Chapter 74 of the Code of Iowa.	3													
3. Capital Leases And Installment Purchases:														
a. Determine agreements were properly authorized in accordance with Chapter 364.4 of the Code of Iowa.	3													
4. Determine that loan and other agreements comply with Chapters 364.4(4), 384.24A, 384.83, 403.9 and 422B.12 of the Code of Iowa.	3													

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	Cate-gory		Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
<b>FUND BALANCE:</b>			<u>Risk:</u> H M L				<u>Risk:</u> H M L				<u>Risk:</u> H M L			
1. Determine that TIF collections were properly recorded in a separate Special Revenue Fund in accordance with Chapter 403.19 of the Code of Iowa.	3													
2. If applicable, determine any funds maintained for City Police reserve peace officers are accounted for in a Special Revenue Fund. (Chapter 80D.11 of the Code of Iowa defines such officers as employees of the governing body.)	3													
3. Review the reasonableness of TIF fund balances at year-end.														
a. Determine whether deficits are due to timing differences in TIF collections and disbursements or whether the City's TIF request certified at December 1 was insufficient. Discuss with City officials.	2													
b. Determine whether surplus balances are being accumulated for active TIF projects or whether the City has certified in excess of TIF needs. TIF revenues may only be used within the TIF plan.	2													
c. If excess funds have been accumulated, comment accordingly. The City should consult legal counsel regarding the disposition of the excess balance.	2													

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	Cate-gory		Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
<b>FUND BALANCE (continued):</b>  d. Determine whether cash on hand balances in the TIF funds at December 1 are credited against total outstanding TIF debt before completing the certificate.  4. Determine that the Annual Financial Report required by Chapter 384.22 of the Code of Iowa was completed and filed by December 1.	2													
	2													

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	Cate-gory		Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
<b>RECEIPTS/REVENUES:</b>			<u>Risk:</u> H M L				<u>Risk:</u> H M L				<u>Risk:</u> H M L			
1. Property Tax:														
a. Determine that the proceeds of any special levies were expended in accordance with statutory provisions (e.g. Chapter 670 of the Code of Iowa for insurance premium levy.)	1													
b. If the City received a portion of the physical plant and equipment levy tax from a school district in accordance with Chapter 403.19(2) of the Code of Iowa:														
1. Review the request prepared by the City for reasonableness.	1													
2. Determine that the amount certified by the City was necessary to pay the principal and interest on indebtedness that was incurred by the City before July 1, 2001.	1													
2. Other City Taxes:														
a. Determine that local option tax receipts were expended in accordance with local provisions. Obtain a copy of the ballot authorizing the local option tax.	2													
b. Determine that hotel/motel tax receipts were credited to the General Fund in accordance with Chapter 423A.2(3) of the Code of Iowa and expended in accordance with Chapter 423A.2(4) of the Code of Iowa.	2													

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	Cate-gory		Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
RECEIPTS/REVENUES (continued):														
3. Enterprise revenues:														
a. Obtain copy of rates and test rates charged against those authorized and determine that rates were properly established by ordinance of council or resolution of board of trustees in accordance with Chapter 384.84 of the Code of Iowa.	2													
4. Determine whether sales tax was collected on the appropriate transactions and remitted to the Iowa Department of Revenue in accordance with Chapters 423.2 and 423.3 of the Code of Iowa. For the sale of metered gas and electricity to residential customers or fuel used to provide heat to residential dwellings, the sales tax will be phased out starting January 2002. The reduction in the tax rate is one percentage point per calendar year through 2006.	3													

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	Cate-gory		Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
DISBURSEMENTS/EXPENDITURES:			<u>Risk:</u> H M L				<u>Risk:</u> H M L				<u>Risk:</u> H M L			
1. For travel and questionable disbursements:														
a. Scan account detail for travel expenses and disbursements which may not meet public purpose criteria.	1													
b. Prepare workpapers as necessary to adequately document for report presentation.	1													
2. Review disbursements to determine if the City has incurred expenditures for economic development. If they have, review for appropriateness and public purpose in accordance with Chapter 15A of the Code of Iowa. Prepare report comment if applicable.	3													
3. For tax increment financing (TIF) urban renewal projects, review disbursements for the following:														
a. Disbursements are in accordance with urban renewal plans.	2													
b. Disbursements are disbursed within the TIF district.	2													
c. Amendments to the plan(s), if any, were made in accordance with Chapter 403.5 of the Code of Iowa.	2													
4. If canceled checks are not received are electronically retained check images (both front and back) per Chapter 554D.114(5) of the Code of Iowa received?	3													

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	Category		Selected	Done By	WP Ref	Remarks	Selected	Done By	WP Ref	Remarks	Selected	Done By	WP Ref	Remarks
DISBURSEMENTS/EXPENDITURES (continued):														
5. For capital projects and other construction contracts:														
a. Determine that public hearing and bidding requirements were followed in accordance with Chapters 384.95 to 384.103 of the Code of Iowa for the following thresholds:														
1. For public improvements with a total cost to the City of \$25,000 or more, other than road, bridge and culvert projects.														
2. For contracts for road and bridge construction work where the engineer's estimate exceeds the amount authorized by the bid threshold committee per Chapter 314.1B of the Code of Iowa. (through December 31, 2004, \$35,000 for cities less than 50,000 in population and \$50,000 for cities with greater than 50,000 in population; as of January 1, 2005, \$36,000 for cities less than 50,000 in population and \$51,000 for cities with greater than 50,000 in population).														

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	Category		Selected	Done By	WP Ref	Remarks	Selected	Done By	WP Ref	Remarks	Selected	Done By	WP Ref	Remarks
DISBURSEMENTS/EXPENDITURES (continued):														
b. Determine that any enhancement payments made for early completion of the project did not exceed 10 percent of the value of the contract in accordance with Chapter 384.99 of the Code of Iowa.		3												
c. Determine that the City applied for and received sales tax refunds on completed projects unless an exemption certificate was issued by the City for the contractor per Chapter 422.42 of the Code of Iowa.		3												

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<b>PAYROLL:</b>			<u>Risk:</u> H M L				<u>Risk:</u> H M L				<u>Risk:</u> H M L			
1. Determine if Forms 941, W-3, or W-2 were filed with the IRS as appropriate.	3													
2. Determine that actual gross salaries have been published as required for all employees in accordance with Chapter 372.13 of the Code of Iowa and Attorney General's opinion dated April 12, 1978.	3													
3. If the City has a tax levy for employee benefits, review payments from this account to ensure the levy is used only for benefits for employees whose salary is paid from the General Fund or the Road Use Tax Account in accordance with City Finance Committee rules.	2													
4. Determine through testing that increases in wages for mayor or council members comply with Chapter 372.13 of the Code of Iowa.	2													
5. Determine if any employees receive a flat dollar allowance for travel or uniform cleaning. If so, determine if this allowance is included in taxable income on the W-2.	3													
6. Determine if the City provides vehicles for employee use.	3													
7. Determine if the City properly prepared Form 1099 for outside services of \$600 or more and determine that workers were properly classified as independent contractors rather than employees.	3													

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<b>TRANSFERS:</b>  1. Trace transfers to approval in the minutes or budget, as applicable.  2. Review transfers for propriety and document findings.  3. Determine that transfers from TIF funds are in accordance with urban renewal plans and are for allowable activity within the TIF district.			<u>Risk:</u> H M L				<u>Risk:</u> H M L				<u>Risk:</u> H M L			
	2													
	2													
	2													

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<b>BUDGETS:</b>			<u>Risk:</u> H M L				<u>Risk:</u> H M L				<u>Risk:</u> H M L			
1. Examine proof of publication for published budget and reconcile to adopted budget. Notice of the public hearing on the budget must be published not less than ten nor more than twenty days before the hearing in accordance with 384.16(3) of the Code of Iowa. Determine that the tax levy adopted was not in excess of the estimate published in accordance with Chapter 384.16(5) of the Code of Iowa.	1													
2. Compare property tax askings and total disbursements between published budget and budget certificate summary to determine tax askings and total disbursements were not increased after publication in accordance with Chapter 384.16(5) of the Code of Iowa.	1													
3. Determine that hearings were held and publications were made in accordance with Chapter 384.16 of the Code of Iowa.	3													
4. Determine whether amounts reported on the Tax Increment Debt Certificate represent outstanding loans, advances, indebtedness or bonds which qualify for payment from City TIF revenues in accordance with Chapter 403.19(5) of the Code of Iowa and whether the certificate was filed by December 1.	2													

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BUDGETS (continued):														
5. Determine the financial report for urban renewal areas was filed each odd-numbered year with the County Auditor and the Department of Management by December 1 in accordance with Chapter 403.23(1) of the Code of Iowa.	3													
6. Determine if amendments were adopted before disbursements exceeded the function budget. (Chapter 384.20 of the Code of Iowa.)	1													
7. If amendment was adopted, determine if it was adopted by May 31 as required by Chapter 24.9 of the Code of Iowa.	3													
a. If not, determine if amendment was protested.	3													
b. If protested, determine if Appeal Board decision was reached before June 30.	3													

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<b>INSURANCE:</b>			<u>Risk:</u> H M L				<u>Risk:</u> H M L				<u>Risk:</u> H M L			
	1													
	1													
	1													

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<b>ADDENDUM:</b>														
<b>AUDIT PLANNING:</b>														
1. Determine if the City has complied with Chapter 380.8 of the Code of Iowa regarding the City’s Code of ordinances:														
a. If the City maintains a code of ordinances, it is done either by:														
1. At least annually compiling a supplement to the Code of ordinances consisting of all new ordinances and amendments to ordinances which became effective during the previous year and adopting the supplement by resolution or,														
2. Adding at least annually the new ordinances and amendments to ordinances to the code of ordinances itself.														
b. If the City does not maintain a code of ordinances as stated in 1, the City compiles a code of ordinances at least once every five years in accordance with Chapter 380.8(1)(c) of the Code of Iowa.														

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<b>ADDENDUM:</b>														
<b>CASH:</b>														
1. Determine that the City has determined that all public funds deposits with banks have met the requirements of Chapter 12C.22 of the Code of Iowa (Pledging of Public Funds Program).														
2. Stamped warrants – determine if interest paid was computed in accordance with Chapter 74.6 of the Code of Iowa.														

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	Cate-gory		Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
ADDENDUM:														
INVESTMENTS:														
1. Determine that investment income was received and recorded in the proper fund. Specifically:														
a. Interest on Road Use Tax is recorded in the General Fund in accordance with Chapter 12C.7(2) of the Code of Iowa.														
b. Interest on cemetery perpetual care is recorded in the General Fund or other fund used for cemetery operations in accordance with Chapter 566.16 of the Code of Iowa.														

\_\_\_\_\_ **CITY COMPLIANCE GUIDE**

		Non-compliance Noted/FY	FY06				FY07				FY08			
	Cate-gory		Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
ADDENDUM:														
LONG-TERM DEBT:														
1. Determine that the disbursements of the Debt Service Fund were limited to the following purposes in accordance with Chapter 384.4 of the Code of Iowa:														
a. Judgments against the City except those authorized by law to be paid from other funds.														
b. Interest and principal of all general obligation bonds/notes issued by the City.														
c. Payments required to be made from the Debt Service Fund under a lease or lease-purchase agreement.														
d. Payments required to be made from the Debt Service Fund under a loan agreement.														

## CITY COMPLIANCE GUIDE

		Non-compliance Noted / FY	FY06				FY07				FY08			
	Category		Selected	Done By	WP Ref	Remarks	Selected	Done By	WP Ref	Remarks	Selected	Done By	WP Ref	Remarks
ADDENDUM:														
RECEIPTS/REVENUES:														
1. Enterprise revenues:														
a. Review rate structure to determine that rates are not discriminatory in accordance with Chapter 388.6 of the Code of Iowa.														
2. Sale of Bonds/Notes:														
a. Determine if premiums or discounts and accrued interest from sale of bonds were in compliance with Chapter 75.5 of the Code of Iowa.														
b. Determine that interest rates on special assessment bonds is not in excess of the rate collected on individual assessments.														
c. Determine that proceeds of notes, bonds, refunding bonds and other evidence of indebtedness if not immediately needed were invested in accordance with Chapter 12C.9(1) of the Code of Iowa.														

## CITY COMPLIANCE GUIDE

		Non-compliance Noted/FY	FY06				FY07				FY08			
	Cate-gory		Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
ADDENDUM:														
DISBURSEMENTS/EXPENDITURES:														
1. For capital projects and other construction contracts determine if the annual report to Department of Transportation included the cost accounting of all instances of the use of day labor and contracts for construction per Chapter 312.14 and 314.1A of the Code of Iowa.	4													
2. If solid waste fees were retained or received from a separate entity in accordance with Chapter 455B.310 of the Code of Iowa, determine if the fees were expended only for the purposes allowed in Chapter 455B.310 (4) of the Code of Iowa.	4													
3. If additional solid waste fees of twenty-five cents of the tonnage fee were retained in accordance with Chapter 455B.310 of the Code of Iowa:														
a. Determine if an updated comprehensive plan has been approved by the Iowa Department of Natural Resources.	4													
b. Determine if the fees were expended only for the purposes allowed in Chapter 455B.310(3) of the Code of Iowa.	4													

## CITY COMPLIANCE GUIDE

		Non-compliance Noted / FY	FY06				FY07				FY08			
	Category		Selected	Done By	WP Ref	Remarks	Selected	Done By	WP Ref	Remarks	Selected	Done By	WP Ref	Remarks
ADDENDUM:														
PAYROLL:														
1. Vehicle Usage:														
a. Obtain a copy of City’s policy regarding vehicle usage. Identify specifics for:														
1. Incidental personal use.														
2. Commuting.														
3. Assignment of vehicles.														
4. Documentation required.														
5. Restricted vehicle uses.														
6. Reimbursement by employees for personal use.														
7. Additional compensation for employees.														
8. Public purpose served.														
9. Other.														
b. Determine if City’s procedures are adequate and reasonable to comply with:														
1. Recordkeeping requirements.														
2. Taxation requirements.														
3. Public purpose requirements.														

\_\_\_\_\_ CITY COMPLIANCE GUIDE

		Non-compliance Noted/FY	FY06				FY07				FY08			
	Cate-gory		Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
<b>ADDENDUM:</b>														
<b>BUDGETS:</b>														
1. Determine that proof of publication exists for each published budget amendment.														
2. Determine that the budget was certified by March 15. If not, determine that the tax levy was limited to the prior year’s budget amount per Chapter 384.16(6) of the Code of Iowa.														

\_\_\_\_\_ CITY COMPLIANCE GUIDE

		Non-compliance Noted/FY	FY06				FY07				FY08			
	Cate-gory		Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
ADDENDUM:														
INSURANCE:														
1. If the City has a self-funded health insurance plan, including self-funded deductibles:														
a. Determine if copy of the actuarial opinion and annual financial report were filed with the Insurance Commissioner within 90 days of year-end.														
b. If an actuarial report was not obtained because the City qualified under Chapter 509A.15(4) of the Code of Iowa, determine that a waiver was properly requested to the Iowa Insurance Division.														